Message Text

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INFO OCT-01 ISO-00 STRE-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-11 IO-13 OIC-02 AF-10 ARA-10 EA-10 EUR-12 NEA-10 /159 W

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R 161122Z MAR 78 FM USMISSION GENEVA TO SECSTATE WASHDC 7274 INFO AMEMBASSY ANKARA AMEMBASSY BUENOS AIRES AMEMBASSY ISLAMABAD AMEMBASSY LISBON AMEMBASSY NEW DELHI AMEMBASSY SANTIAGO

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E.O. 11652: N/A

TAGS: ETRD, GATT, TU, PO, AR, IN, CI, PK

SUBJECT: GATT COUNCIL - DISCUSSION ON BOP REPORTS

REFS: (A) STATE 63009, (B) GENEVA 3574

1. SUMMARY: ALTHOUGH GATT COUNCIL DISCUSSION OF BOP COMMITTEE REPORTS FOLLOWED PREDICTABLE LINES WITH CPS MAINTAINING PREVIOUS WELL-KNOWN POSITIONS, TONE OF INTERVENTIONS LACKED PAST CONFRONTATIONAL NATURE AND MANY DELS WELCOMED TREND EVIDENCED IN PAKISTANI LIMITED OFFICIAL USE

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CONSULTATION. END SUMMARY.

2. CHAIRMAN (JAGMETTI), IN INTRODUCING BOP COMMITTEE REPORTS, CALLED CPS' ATTENTION TO PARA 3 IN CONCLUSIONS OF PAKISTANI CONSULTATION WHEREBY FACTORS OTHER THAN THE PAKISTANI IMPORT REGIME WERE CONSIDERED BY THE COMMITTEE. HE ALSO DREW COUNCIL'S ATTENTION

TO FACT THAT COMMITTEE NO LONGER DEEMED IT NECESSARY FOR CHILE AND ARGENTINA TO CONSULT. AS IN PAST COUNCIL MEETINGS, MANY DELS SPOKE ON SUBJECT WITH LDCS CONTINUING TO TAKE FIRM LINE THAT MINI PROCEDURES SHOULD BE CONSIDERED CO-EQUAL WITH NORMAL CONSULTATION PROCEDURES. MANY DELS WELCOMED TREND AS INDICATED IN PAKISTANI CONSULTATION, AND STATEMENTS ON CONFRONTATIONAL NATURE OF FULL CONSULTATION MADE AT PREVIOUS COUNCIL MEETINGS WERE NOTICABLY LACKING. SDME SPECIFIC COMMENTS WERE AS FOLLOWS:

A. PAKISTANI DEL (HAMID) NOTED THAT HE HAD QUES-TIONED THE UTILITY OF FULL CONSULTATIONS WHEN HIS COUNTRY WAS ASKED LAST YEAR. HE DREW ATTENTION OF THE COUNCIL TO THE EXAMINATION BY THE BOP COMMITTEE OF EXTERNAL FORCES AFFECTING PAKISTAN'S BOP SITUATION. NOTING IN PARTICULAR THE COMMENT (PAGE 11, PARA 3 OF BOP/R/98) THAT THE RELAXATION OF RESTRAINTS ON PAKISTAN'S EXPORTS WOULD HAVE A FAVORABLE EFFECT ON BOP SITUATION AND PAKISTAN'S CAPABILITY TO REDUCE ITS IMPORT RESTRAINTS. HE THOUGHT SUCH CONCLUSIONS WERE MEANINGLESS UNLESS THEY WERE TAKEN SERIOUSLY AND REFLECTED IN THE TRADE POLICY OF DEVELOPED COUNTRIES. HE ALSO BELIEVED THAT THE MANDATE AND THE ROLE OF THE BOP COMMITTEE SHOULD BE EXAMINED; IN PARTICULAR (A) CONSULTATIONS SHOULD NOT BE CONSIDERED ONE-SIDED BUT SHOULD BE COMPREHENSIVE AND GIVE A COMPLETE VIEW OF THE BOP SITUATION. LIMITED OFFICIAL USE

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(B) MEMBERS OF THE BOP COMMITTEE SHOULD BE EXPECTED TO ACT AS INDEPENDENT SPECIALISTS AND NOT UNDER THE INSTRUCTIONS OF THEIR GOVERNMENTS, AND (C) THE MEMBERSHIP OF THE COMMITTEE SHOULD REFLECT A SUITABLE BALANCE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. HE ALSO CRITICIZED THE IMBALANCE THAT EXISTS IN OBLIGATIONS UNDER THE GENERAL AGREEMENT NOTING THAT THERE IS NO PROCEDURE FOR EXAMINING MEASURES TAKEN UNDER ARTICLE XIX BY DEVELOPED COUNTRIES AND ARGUED THAT THERE SHOULD BE A PERIODIC REVIEW OF SUCH MEASURES, JUST AS THERE IS OF BOP MEASURES RESORTED TO MOST OFTEN BY DEVELOPING COUNTRIES.

B. ARGENTINA AGREED WITH PAKISTANI ARGUMENT ON IMBALANCE THAT EXISTS IN GATT EXAMINATION PROCEDURES, NOTED THAT THERE WAS A NEED FOR COOPERATION WITH LDCS IN THE BOP COMMITTEE, AND SAID THAT IF MINI PROCEDURE QUESTION IS NOT RESOLVED IN MTN WE WILL HAVE TO LOOK AT IT AGAIN IN THE COUNCIL.

C. INDIA WELCOMED THE FULL EXAMINATION OF THE PAKISTANI SITUATION AS IT HAD EVOLVED IN THE COMMITTEE

AND THOUGHT THIS TO BE A USEFUL TREND AND A MEANS FOR LOOKING AT BOP PROBLEMS IN A POSITIVE MANNER. HE THOUGHT THAT COMMITTEE SHOULD EXAMINE NOT ONLY JUSTIFICATION FOR BOP RESTRAINTS BUT SHOULD ALSO LOOK AT RECOMMENDATIONS FOR REMEDIAL ACTION BY OTHER CPS.

D. MALAYSIA, EGYPT, NIGERIA, SRI LANKA, YUGOSLAVIA AND BRAZIL ASSOCIATED THEMSELVES WITH COMMENTS OF PAKISTAN AND INDIA.

E. U.S. DEL AGREED WITH OTHERS ON USEFULNESS OF PAKISTANI CONSULTATION, NOTED THAT WE MAINTAINED OUR POSITION WITH RESPECT TO MINI PROCEDURES AND REFERRED THE COUNCIL TO THE EXTENDED DEBATE ON THIS SUBJECT AT LIMITED OFFICIAL USE

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THE JULY 1977 MEETING OF THE COUNCIL.

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- F. EC SUPPORTED U.S. STATEMENT, SAID THAT PAKISTAN'S CONSULTATION SHOWS CLEARLY THE DIFFICULTIES FACING PAKISTAN, SOME OF WHICH ARE OF EXTERNAL ORIGIN. EC ALSO SAID THAT PROVISIONS IN GATT CONCERNING BOP ARE USEFUL BUT EC IS WILLING TO EXAMINE SUGGESTIONS FOR CHANGES IN AN APPROPRIATE BODY.
- G. CANADA ECHOED COMMENTS BY U.S. AND EC.
- H. DG LONG THEN COMMENTED ON MAKE-UP OF COMMITTEE LIMITED OFFICIAL USE

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POINTING OUT THAT THE COUNCIL DESIGNATES THE MEMBERSHIP OF THE COMMITTEE, THAT ANY CP CAN ASK TO BE APPOINTED, AND THAT, IN HIS MEMORY, NO SUCH REQUEST HAS EVER BEEN REFUSED BY THE COUNCIL.

- 3. COMMITTEE REPORT ON PORTUGAL -- ADOPTED WITHOUT COMMENT.
- 4. COMMITTEE REPORT ON TURKEY -- U.S. CALLED ATTENTION TO TERMS OF STAMP DUTY WAIVER AND NOTED THAT TURKEY HAS RECENTLY UNDERTAKEN CERTAIN ECONOMIC MEASURES INCLUDING DEVALUATION OF THE LIRA. WE EXPRESSED HOPE THAT TURKEY WOULD SUBSEQUENTLY REDUCE THE STAMP DUTY.
- 5. MINI-CONSULTATIONS -- ARGENTINA AND CHILE SAID THEY INTERPRETED BOP COMMITTEE CONCLUSION TO MEAN THAT ARGENTINA AND CHILE ARE NOT REQUIRED TO HAVE CONSULTATIONS, AT LEAST FOR THE TIME BEING. INDIA NOTED THAT IT ACCEPTED FULL CONSULTATION WITHOUT PREJUDICE TO ITS POSITION WITH RESPECT TO MINI CONSULTATIONS AND REPEATED INDIA'S BELIEF THAT MINI PROCEDURES ARE NOT AN EXCEPTION TO NORMAL PROCEDURES BUT A CO-EQUAL ALTERNATIVE. VANDEN HEUVEL

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Sheryl P. Walter	Declassified/Released	US Department of State	EO Systematic Review	20 Mar 2014

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